

§ 1951.1

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AUTHORITY: 5 U.S.C. 301; and 7 U.S.C. 1989.

EDITORIAL NOTES: 1. Some of the exhibits referenced in this part 1951 are not published in the Code of Federal Regulations. Exhibits are available in any Rural Development office.

2. Nomenclature changes to part 1951 appear at 80 FR 9890–9894, Feb. 24, 2015.

Subpart A—Account Servicing Policies

SOURCE: 50 FR 45764, Nov. 1, 1985, unless otherwise noted.

7 CFR Ch. XVIII (1–1–16 Edition)

§ 1951.1 Purpose.

This subpart sets forth the policies and procedures to use in servicing accounts. This subpart also applies to Rural Rental Housing Loan (RRH), Rural Cooperative Housing Loan (RCH), Labor Housing Loan (LH), Rural Housing Site Loan (RHS), and Site Option Loan (SO) accounts not covered under the Predetermined Amortization Schedule System (PASS). Loans on PASS will be administered under 7 CFR part 3560, subpart I. Cases involving unauthorized assistance will be serviced under Subparts L and N of this part. Cases involving graduation of borrowers to other sources of credit will be serviced under Subpart F of this part. This subpart does not apply to Water and Waste Programs of the Rural Utilities Service, Watershed loans, or Resource Conservation and Development loans, which are serviced under part 1782 of this title. In addition, this subpart is inapplicable to Farm Service Agency, Farm Loan Programs.

[52 FR 26134, July 13, 1987, as amended at 69 FR 69105, Nov. 26, 2004; 72 FR 55017, Sept. 28, 2007; 72 FR 64122, Nov. 15, 2007]

§ 1951.2 Policy.

Borrowers are expected to pay their debts to the Agency in accordance with their agreements and ability to pay. They will be encouraged to pay ahead of schedule, consistent with sound financial management. When borrowers have acted in good faith and have exercised due diligence in an effort to pay their indebtedness but cannot pay on schedule because of circumstances beyond their control, servicing actions will be consistent with the best interests of the borrower and the Government. It is the policy of this agency to service borrower loan account without regard to race, color, religion, sex, marital status, national origin, age, physical or mental handicap (borrower must possess the capacity to enter into a legal contract for services).

§ 1951.3 Authorities and responsibilities.

County Supervisors and District Directors are responsible for servicing all